

The BAD & the UGLY of HVLA

1. The Assn. (and the water district, “CSD”) is still largely controlled by a small-group. It is a group of members mostly comprised of older, long-standing and avid-golfing members, who want a traditional “Country Club” community. They view themselves as the most established, the most active community-builders and, therefore, “entitled” to have the most say. Their 40+ year influence is responsible for most of the following developments.
2. Golf has always been and remains #1. Initially the Golf Course (GC) was for Assn. members only (true of most other HOA’s). Sometime in the late 1980’s it was opened-to-the-public in hopes of finally turning a profit. Since at least the late-1990’s the GC has incurred growing annual losses. From 2001 to 2017 those losses totaled \$9.27 Million (an avg. \$545,240 per year). Despite the facts that the GC is open-to-the-public, less than 10% of residents play and many of the recommendations from the 2 consults have not been implemented, all Assn. members continue to be required to pay for the losses – aka “golf subsidy.” Despite all this, despite a specific consult-recommendation and despite multiple requests from Directors and members, the GC has never produced a “Business Plan” with a goal of significantly reducing losses.
3. Lack of Comprehensive Fire/Flood Protection Plans. Some improvements have been made but “comprehensive” plans still do not exist, despite the fact that multiple homes have been damaged or destroyed by fires and flooding over the past 10 years.
4. “Discrimination” against families with children persists (i.e., non-golfers). This is a “de facto” form of discrimination that is reflected in the historical and ongoing emphasis on “Golf First” plus a resistance to family-oriented amenities and services; including the loss of the “Community Center” and “Teen Center”, the lack of development of the vast majority of recreational options recommended in the “Recreational Plan of 2012”, delayed/non-approval of the “Lake Management Plan” and the 45+ year failure to perform desiltation on the Lake. Meanwhile, the Golf Course has continuously received deficit funding (avg. \$545K per year over the last 17 years), plus generous upgrades in the form of new carts, maintenance equipment and other items (over \$800K in the last 5 years).
5. The Assn. seems bent on passing the burden of making up for past “errors” to current members. In 2014, the Assn. had its First **full** (including AR/AP samplings, omitted in the past) audit by an HOA-experienced CPA, and, its First **independent** reserve study. There was also an in-house IT Audit in 2014 and two professional golf consults in 2015. All these revealed clear and major mismanagement. Coincidentally, that first independent reserve study showed reserves to be **under**-funded by \$10-13 Million, a figure very close to the combined GC + Food/Bev. Ops. losses from 2000-14. One fiscal consultant also advised a “forensic audit” of

delinquent accounts. Rather than taking steps to drastically reduce GC losses or to re-coup any past misappropriated funds (mid-1990's-2015), the Assn. has seemingly chosen to pass on the burden of making up for past "errors" to current members.

6. New/Prospective buyers in HVLA have no access to full information. This has always been true. They cannot obtain any full/factual information on HVLA's overall current or historical functioning as an HOA. Thus, they are not able to make a truly "informed decision" about home/property purchase herein. ONLY [Hidden Valley Lake –Owner Advocate](#) contains such information.

7. Association leaders seem to continue to view the Community/Association as a tiny, simple village. HVLA is actually a "Small-Town" (Census designation) of around 7,000 people. It's one of the largest employers in Lake County; annual budget of nearly \$10 Million. Since 2000, it has become a much more diverse, complex community.

- a. It needs a top-notch HOA Management firm (vs. "self-management").
- b. Directors' "job" is comparable to a "city council", yet they have minimal qualifications, no formal vetting process, no ongoing training program, no separate/designated administrative support system, are discouraged from open dissention and represent the "corporation", **NOT** the members/residents.
- c. Board committee recommendations, except the "Golf and Greens Committee", have historically been ignored – a voluminous and well documented history.
- d. There are NO clear, detailed, **meaningful**, published accountability standards for Directors or Staff.
- e. There are NO effective, **meaningful** or systematic mechanisms for representation of members' voices in governance. Existing mechanisms are deceptively ineffectual.
- f. Since 2014, there have been 3 Directors recalled and about 8 Director resignations. All the recalled Directors were member-oriented. All those who resigned blamed the "excessive workload" (a perennial complaint of most Directors), but secretly many told friends that frustration and overwhelm with the "Golf First" advocates was the primary reason!

8. The majority of Association members have been disenfranchised from the governance process. This has occurred systematically over its 50 year history. Only about 30% vote in Board elections (since 2000). This disenfranchisement has come about as a result of several factors: small-group-control, poor Association-to-member communication, a bully sub-culture, the cover-up of multiple fiscal irregularities from the mid-1990's through 2015 and rigged elections. In addition, the Association has made infrequent and misguided efforts to "engage" the membership in meaningful community-building.

9. Association elections have had a questionable history. There have been many claims of election irregularities through 2015. An in-house review of election practices was done in 2015-16 but has never been released to the members. Some improvements have been made in election practices.

10. A “Bully Sub-Culture” exists that creates a fear-laden environment and significantly, negatively influences governance and community-relations. This “sub-culture” has existed in HVLA for many years. It is perpetrated primarily by those described in #1 (above), along with that group’s followers. In addition, with the advent of “Facebook”, several online FB sites have been developed that frequently give false, misleading information and that relentlessly, mercilessly bully any members who raise valid questions. Some of the most notable online bullies have been past directors, directorial-candidates and past employees. In addition to cyber-bullying, other types of bullying in HVLA have included violence (physical and verbal), threats, abuses-of-power by directors and staff, filing false reports to law enforcement, threats of litigation and misguided litigations against the Assn. It is also noteworthy that one past GM was forced to seek refuge through a CA State victim protection program specifically due to bullying from HVLA members.

11. “Environmental Control Rules” still appear selectively and inconsistently enforced, e.g., many properties remain consistently poorly-to-marginally kept. To most outward appearances, this seems unchanged from past years.

12. No limits on the number of rentals or Airbnb units. Reportedly, 15-20% of houses are rentals and over 24 Airbnb’s exist.

13. The Assn. magazine, the “Views” (prior to 2006 “The Compass”) has always been and continues to be solely a “promotional” publication. Though some in the Assn., variously and misleadingly, have described it as a vehicle for “informing members”, the information conveyed is only about rules, regulations and events. Information that may be beneficial or useful to members but possibly unflattering or uncomplimentary is never printed. It is a community communication device only in the most narrow, limited sense.

14. Previous “Member Surveys” largely ignored. There have been numerous member surveys done in the past. Some focused on specific aspects of the Assn., e.g., restaurant/bar, while others attempted to cover broader issues. Three results from past surveys stand out: (1) Members have always been told by the Assn. that surveys were “non-binding”; (2) Although response rates were low, some consistent patterns did emerge, e.g., members wanting more non-golf amenities and wanting more impact on Assn. decisions; and, (3) The Assn. consistently ignored Member wishes.

In closing, it is important to note that among the “Cons” are some items referring to past events in HVLA. We believe these events remain important and, indeed, essential to the future for the following reasons:

- They represent repeated patterns within HVLA governance/management.
- They continue to have significant impact today.
- The Assn. appears to have learned only **limited** lessons from them.
- These events/patterns have had major negative impacts on homeowner investment.

- The Assn. appears to have “selected” these events for closeting.

If this isn't what you sign-up for when you bought in HVLA, you're not alone. Write to the Board and complain - board@hvla.com

Write to your State Senator - senator.mcguire@senate.ca.gov

Write to you State Assemblyperson - assemblymember.Aguiar-Curry@assembly.ca.gov

By

[Hidden Valley Lake Owner Advocate](#)